

Auxiliary organizations of a licensee shall not be eligible for a license to conduct charitable games, except for auxiliary organizations of veterans' organizations. See 86 Ill. Adm. Code 435.120(a)(3). (This is a GIL.)

May 31, 2005

Dear Xxxxx:

This letter is in response to your letter dated May 13, 2005, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

We respectfully request a further interpretation of the Illinois Administrative Code with regard to obtaining a charitable games license in the name of an 'auxiliary organization'. On page 8 of the Charitable Games Act Rules CH. I. SEC 435-120 paragraph 3, where it states that ***An 'auxiliary organizations'[sic] is one which exists to assist or support an affiliated organization.***

The ABC has been carrying out its goals since 1950. ABC has had 501(c)(3) since August 12, 1960.

An auxiliary organization of ABC known as XYZ has existed for several years, has its own officers and by-laws. Their focus is to promote the various Craft Shows, Rummage Sales, Annual Award/Volunteer Appreciation Dinner, Senior Luncheons, and events of that kind. Any and all funds raised through their activities benefit ABC exclusively.

We would like to apply for a Casino/Charitable in the name of the XYZ and are asking for a favorable ruling by your department to permit this.

Thank you for your consideration.

DEPARTMENT'S RESPONSE:

86 Ill. Adm. Code 435.120(a)(3) governs the regulation of charitable gaming licenses to auxiliary organizations. An "auxiliary organization" is one, which exists to assist or support an affiliated organization. The information provided in your request would indicate that the XYZ is an auxiliary organization of ABC.

The above regulation states that auxiliary organizations of a licensee shall not be eligible for a license to conduct charitable games, except for auxiliary organizations of veterans' organizations (Section 4 of the Act). Based upon the information in your letter, XYZ is not an auxiliary organization of a veteran's organization and does not qualify for a license.

I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

EEB:msk